



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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April 12, 1995

Mr. Jim R. Scarth, Esq.
Suite 32, Tower Building, Ancestor Square
2 West St. George Boulevard
P.O. Box 160
St. George, Utah 84771

Re: Water Right Concern, Trevor K. and Robert C. Leach, March Corporation, Bald Knoll Mine, S/025/012, Kane County, Utah

Dear Mr. Scarth:

Thank you for your letter dated April 5, 1995, which raises concerns of your clients, Mr. Trevor K. Leach and Robert C. Leach, who are the surface owners of lands upon which the March Corporation has recently filed a "Notice of Intent to Locate". Your letter indicates that the March Corporation intends to strip mine three forty-acre parcels of land as described in their Notice of Intent to Locate. You have expressed concerns regarding the impact of this proposed mining activity upon a local water right (Bert's Powder Springs) which is presently used by the Leach family to support their cattle ranching operation. It is our understanding that your clients believe that the mining of these parcels will adversely impact their water right and the local recharge area (aquifer) supplying water to Bert's Powder Springs. Your letter also formally protests any mining on these forty-acre tracts.

At the present time, this Division has not received a *Notice of Intention to Commence Exploration, Small or Large Mining Operations* on the aforementioned lands from the March Corporation. We have been informed by the March Corporation that they have filed a "Notice of Intent to Locate" with the BLM for a number of unpatented mining claims adjacent to their existing Bald Knoll Mine. This Division has no regulatory authority or jurisdiction over the filing or locating of federal mining claims on federally managed lands. However, we do have authority under the Utah Mined Land Reclamation Act to regulate and permit mining operations on federal, state and private lands.

Before an operator begins mining activities on lands within the state of Utah, he must first file a permit application (Notice of Intention) with this Division and receive confirmation of completeness and/or a formal approval of the application. This notice normally falls within one of three categories; exploration, small mining (<5 acres), or a



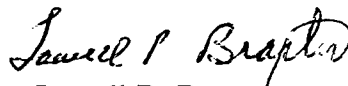
Page 2
Jim R. Scarth, Esq.
S/025/012
April 12, 1995

large mining (>5 acres) operation. Exploration notices are normally held as confidential, unless or until the operator grants permission to release the contents of the notice. Small mining notices do not have a formal public comment period, but do require the operator to indicate that he has the legal right to enter upon and mine the lands in question. The Division has no jurisdiction or regulatory authority to resolve private property disputes.

For large mining notices, the Division publishes a notice of tentative approval. Adversely affected parties have an opportunity to formally provide comment to the Division during a 30-day public comment period. Substantive comments are normally brought before the Board of Oil, Gas and Mining for resolution prior to finalizing the approval process.

Until the Division receives a formal Notice of Intention to mine said parcels of land, we are not in a position to respond to your concerns. Please feel free to contact me or D. Wayne Hedberg of my staff if we can clarify this issue further or provide additional information in this regard.

Sincerely,



Lowell P. Braxton
Associate Director, Mining

jb
cc: John Blake, SITLA
Andrew Edwards, March Corp
Trevor Leach
Alan Rabinoff, BLM, State Office
Rod Schipper, BLM, Kanab RA
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